KPMG S.A.
Tour Eqho
2 avenue Gambetta
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61, Rue Henri Regnault
Paris La Défense
France

This is a free translation into English of the statutory auditors' review report on the individual condensed IFRS interim financial statements issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

YOUNITED S.A.

Statutory auditors' review report on the individual condensed interim IFRS financial statements

Period from January 1 to June 30, 2024
YOUNITED S.A.
21, rue de Châteaudun - 75009 PARIS

KPMG S.A.
Tour Eqho
2 avenue Gambetta
CS 60055
92066 Paris la Défense Cedex

FORVIS MAZARS S.A.
61, Rue Henri Regnault
Paris La Défense
France

YOUNITED S.A.

21, rue de Châteaudun - 75009 PARIS

Statutory auditors' review report on the condensed individual interim IFRS financial statements

Period from January 1 to June 30, 2024

To the Chairman of the management board of YOUNITED S.A.,

In connection with the proposed reorganization of the Company's share capital with a SPAC (Special Purpose Acquisition Company) listed on the regulated market of Euronext Amsterdam, and in response to your request, we have reviewed the accompanying condensed individual interim IFRS financial statements, for the period from January 1, 2024 to June 30, 2024, as they are attached to this report.

We highlight that the first set of condensed interim IFRS financial statements have been prepared on June 30, 2024, consequently we have not audited nor reviewed the corresponding figures relating to the period from January 1, 2023 to June 30, 2023.

These condensed individual interim IFRS financial statements have been approved by the Management Board. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes) related to this engagement.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed individual interim financial statements do not give a true and fair view, in all material respects, of the assets and liabilities and the financial position of YOUNITED as at June 30, 2024 and the results of its operations for the period then ended 30 June, 2024, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

This report is addressed to your attention in the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purposes.

This report shall be governed by and construed in accordance with French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

The Statutory Auditors

French original signed by

Paris La Défense, October 8, 2024	Paris La Défense, October 8, 2024
KPMG S.A.	**Forvis Mazars S.A.**
Ulrich Sarfati Partner	Alexandra Kritchmar Partner

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SEMESTER ENDED JUNE 30, 2024

STATEMENT OF FINANCIAL POSITION

(in € thousands)	*Note*	**As of June 30, 2024,**	**As of December 31, 2023,**
Assets			
Cash, due from central banks	*11*	134,232	236,756
Financial assets at FVTPL[1]	*3*	125,957	135,403
Loans and advances to financial institutions	*3, 11*	49,172	73,525
Loans and advances to customers at amortised cost	*3*	312,150	339,347
Loans and advances to customers at FVOCI[2]	*3*	400,360	477,287
Property and equipment		12,930	14,568
Intangible assets		37,368	36,552
Other assets	*12*	83,899	85,537
TOTAL ASSETS		**1,156,068**	**1,398,973**
Liabilities			
Loans and deposits from financial institutions	*3*	60,595	60,033
Deposits from deposit holders	*3*	884,571	1,126,252
Other liabilities		53,974	68,840
Provisions	*14*	580	466
TOTAL LIABILITIES		**999,720**	**1,255,591**
Equity			
Share capital	*13*	1,999	1,934
Share premium	*13*	405,660	380,044
Other equity instruments		289	289
Reserves and retained earnings		(238,167)	(210,525)
Loss for the period		(12,704)	(49,679)
SUB-TOTAL		**157,077**	**122,062**
Unrealised or deferred capital gains and losses		(729)	21,320
TOTAL EQUITY		**156,348**	**143,383**
TOTAL LIABILITIES AND EQUITY		**1,156,068**	**1,398,973**

[1] Fair value through profit or loss (FVTPL)
[2] Fair value through other comprehensive income (FVOCI)

INCOME STATEMENT

(in € thousands)	*Note*	Six-month period ended June 30, 2024	2023
Interest income	*6*	39,673	36,554
Interest expense	*6*	(14,887)	(9,666)
Net interest income		**24,787**	**26,888**
Net gains and losses from financial instruments at FVTPL	*7*	1,370	239
Net gains and losses from financial instruments at FVOCI	*3*	(1,439)	(3,861)
Income from other activities	*8*	27,849	21,377
Revenue		**52,567**	**44,643**
Personnel expense	*9*	(18,508)	(18,195)
Other operating expenses		(17,292)	(16,253)
Depreciation and amortisation expenses		(12,478)	(9,979)
Impairment losses on financial instruments	*3*	(16,629)	(28,903)
Loss before tax		**(12,341)**	**(28,687)**
Income tax expense	*10*	(363)	(679)
Loss for the period		**(12,704)**	**(29,366)**

STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS

(in € thousands)	*Note*	Six-month period ended June 30, 2024	2023
Loss for the period		**(12,704)**	**(29,366)**
Revaluation of debt instruments at FVOCI:			
Revaluation differences of the period	*3*	*(2,157)*	*(1,304)*
Reclassified into income	*3*	*1,439*	*3,861*
Unrealised or deferred gains and losses that will be reclassified subsequently into income		**(718)**	**2,556**
Actuarial gains and losses on defined benefit plans		(11)	58
Unrealised or deferred gains and losses that will not be reclassified subsequently into income		**(11)**	**58**
Total unrealised or deferred gains and losses		**(729)**	**2,614**
Net income and unrealised or deferred gains and losses		**(13,433)**	**(26,752)**

STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Share capital	Share premium	Other equity instruments	Loss for the period	Reserves and retained earnings	Total equity
Balance at January 1, 2023	**1,861**	**351,790**	**289**	**(78,918)**	**(134,437)**	**140,584**
Loss for the period	-	-	-	(29,366)	-	(29,366)
Transfer	-	-	-	78,918	(78,918)	-
Increase in capital	73	28,542	-	-	-	28,615
Called capital unpaid	-	(28,333)	-	-	-	(28,333)
Equity-settled share-based payment	-	-	-	-	1,441	1,441
Remeasurement of defined benefit liability	-	-	-	-	58	58
Change in unrealised or deferred gains and losses	-	-	-	-	2,556	2,556
Other movements	-	(243)	-	-	-	(243)
Balance at June 30, 2023	**1,934**	**351,756**	**289**	**(29,366)**	**(209,301)**	**115,313**
Loss for the period	-	-	-	(20,313)	-	(20,313)
Transfer	-	-	-	29,366	(29,366)	-
Called capital paid	-	28,333	-	-	-	28,333
Increase in capital	-	-	-	-	-	-
Equity-settled share-based payment	-	-	-	-	1,441	1,441
Remeasurement of defined benefit liability	-	-	-	-	(79)	(79)
Change in unrealised or deferred gains and losses	-	-	-	-	18,786	18,786
Other movements	-	(45)	-	-	(52)	(97)
Balance at December 31, 2023	**1,934**	**380,044**	**289**	**(20,313)**	**(218,571)**	**143,383**
Loss for the period	-	-	-	(12,704)	-	(12,704)
Transfer	-	-	-	49,679	(49,679)	-
Increase in capital	64	25,406	-	-	-	25,470
Equity-settled share-based payment	-	-	-	-	717	717
Remeasurement of defined benefit liability	-	-	-	-	(11)	(11)
Change in unrealised or deferred gains and losses	-	-	-	-	(718)	(718)
Other movements	-	211	-	-	-	211
Balance at June 30, 2024	**1,999**	**405,660**	**289**	**(29,366)**	**(268,262)**	**156,348**

STATEMENT OF CASH FLOWS

(in € thousands)	Note	Six-month period ended June 30, 2024	2023
Cash flows from operating activities			
Loss for the period		**(12,704)**	**(29,366)**
Net depreciation and amortisation		12,479	9,974
Net impairment loss on loans and investment securities	3	16,629	28,903
Net interest income	6	(24,787)	(26,888)
Net gain (or loss) on loans and investment securities at FV	7	51	3,637
Equity-settled share-based payment transactions	10	717	1,441
Other income and expense		(734)	(504)
Net change in loans and advances to financial institutions and customers		88,908	5,701
Net change in loans and deposits from financial institutions and investors		(241,118)	190,231
Other assets, liabilities, and provisions	12	(11,452)	20,428
Net interest received (or paid)	6	23,543	20,919
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		**(148,470)**	**224,475**
Cash flows from investing activities			
Net change in investment securities		9,638	(47,120)
Investment in PPE and intangible assets		(11,657)	(14,211)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**(2,019)**	**(61,331)**
Cash flows from financing activities			
Proceeds from increase in capital	13	25,470	283
Repayment of lease liabilities		(1,858)	(1,622)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**23,612**	**(1,339)**
Net increase (decrease) in cash, due from central banks		**(126,877)**	**161,805**
CASH AND CASH EQUIVALENTS AT OPENING[1]		**310,281**	**137,903**
CASH AND CASH EQUIVALENTS AT CLOSING[1]		**183,404**	**299,708**

[1]Cash and Cash equivalent comprises balances of (i) Cash, due from central banks and (ii) Loans and advances to financial institutions – which consists solely of on-demand deposit.

TABLE OF CONTENTS

NOTE 1 INFORMATION ABOUT THE GROUP AND KEY EVENTS

COMPANY PRESENTING THE FINANCIAL STATEMENTS

Younited (the "Company") is a "Société Anonyme" (Public Limited Company) incorporated under the laws of France and registered with the Paris Trade and Companies Registry under number 517 586 376 000 58. The Company's registered office is located at 21, rue de Châteaudun, Paris (75009), France. Registered with the Trade and Companies Registry in October 2009, Younited has been approved as an "établissement de crédit prestataire de services d'investissements" by the Autorité de Contrôle Prudentiel (ACPR) and the Autorité des Marchés Financiers (AMF). The Company is a licensed consumer credit business with operations in France, Italy, Spain, Germany and Portugal.

SIGNIFICANT EVENTS OF THE PERIOD

On February 7, 2024, Management decided to stop origination of loans and advances to customers as of May 2024 in Germany. As at December 31, 2023, loans and advances to customers in Germany amounted to €120.6 million. This led to the departure of 38 employees of the German branch between May and October 2024 and additional costs incurred in this context are not material.

SUBSEQUENT EVENTS

Younited is in the process of an initial business combination (IBC) with the special purpose acquisition company (SPAC) Iris Financial. Iris Financial is an entity registered in Grand Cayman. Its shares are listed on the Euronext Amsterdam stock exchange. The Combination should be implemented by way of a contribution by the shareholders of Younited of their Younited shares to Iris Financial in consideration for newly issued shares of Iris Financial. Closing of the transaction, subject to regulatory approvals, is scheduled for the fourth quarter of 2024.

NOTE 2 BASIS OF ACCOUNTING

BASIS OF PREPARATION

Younited's interim financial statements for the six-month period ended June 30, 2024, were prepared in accordance with the provision of IAS34, *Interim Financial Reporting*. They were prepared in accordance with the International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union, which are available on the European Commission website. The accounting principles used to prepare these interim financial statements are identical to those used to prepare the financial statements for the year ended December 31, 2023 (see Note 2 to the financial statements for the year ended December 31, 2023, as well as the accounting principles detailed in these notes), except for the standards, amendments and interpretations applicable for the first time as of January 1, 2024. These interim financial statements were approved and authorised for publication by the Management Board on October 7, 2024.

CURRENT STANDARDS AND INTERPRETATIONS

NEW MANDATORY STANDARDS AND INTERPRETATIONS AS OF JANUARY 1, 2024

The following amendments apply to reporting periods beginning on or after January 1, 2024:
- IAS 1, "Classification of Liabilities either as Current or Non-current" and "Non-current liabilities with covenants"
- IFRS 16, "Lease liability in Sale and Leaseback"

- IAS 7 and IFRS 7, “Supplier Finance Arrangements”

These amendments had no material impact on the interim financial statements for the six-month period ended June 30, 2024.

MAIN STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED BY THE IASB THAT ARE NOT MANDATORY IN THE EUROPEAN UNION AS OF JANUARY 1, 2024

Younited did not choose to early adopt any such standards, amendments or interpretations in its interim financial statements for the six-month period ended June 30, 2024, and does not expect them to have a material impact on its results of operations or financial position.

FUNCTIONAL AND PRESENTATION CURRENCY

These Company financial statements are presented in euro, which is the Company’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these Company financial statements, management has made judgements and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

ESTIMATION-RELATED JUDGEMENTS AND ASSUMPTIONS

Information about judgements and assumptions made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3:
  - Establishing the criteria to determine whether credit risk on financial assets has increased significantly since initial recognition, which is based on determining the methodology to incorporate forward-looking information into the measurement of expected credit losses, that is ECL, and selecting the models used to measure them, including forward-looking scenarios and their weighting;
  - Impairment of financial instruments, which is based on determining the inputs into ECL measurement, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information; and
  - Analysis of business models of financial assets and assessment of whether those instruments comply with the SPPI criteria (Solely Payment of Principal and Interests).

- Note 5: Measurement of the fair value of financial instruments with significant unobservable inputs.

- Note 8: Use of unobservable data for the estimation of insurance brokerage revenue.

- Note 14: Analysis of the Company’s control over special purpose vehicles used for securitisation of loans and advances to customers.

NOTE 3 FINANCIAL INSTRUMENTS

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Recognition and initial measurement

The Group initially recognises loans and advances, deposits, debt securities issued on the date on which they are originated. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose aim is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose aim is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets are classified as measured at FVTPL.

Financial liabilities are classified into one of the following two categories:

- *Financial liabilities at FVTPL*: these are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Group upon initial recognition to be measured at fair value through profit or loss using the fair value option.
- *Debts*: these include the other non-derivative financial liabilities and are measured at amortised cost.

Business Model

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Younited operations in France and Italy are managed under the "Hold to Collect and Sell" business model while operations in the remaining countries follow the "Hold to Collect" business model.

Assessment of whether contractual cashflows are solely payment of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;

Cashflow arising from loans and advances to customers, loans and advances to financial institutions, loans and deposits from financial institutions and deposits from deposits holders are SPPI.

Derecognition – Financial assets

See note 14 below.

Derecognition – Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

(in € thousands)	As of June 30, 2024 Mandatorily at FVTPL	FVOCI - debt instruments	Amortised cost	Total carrying amount
Loans and advances to financial institutions	-	-	49,172	**49,172**
Loans and advances to customers	-	400,360	312,150	**712,510**
Investment securities	125,957	-	-	**125,957**
Other assets	-	-	83,899	**83,899**
Total financial assets	**125,957**	**400,360**	**445,221**	**971,538**
Loans from financial institutions	-	-	60,595	**60,595**
Deposits from deposit holders	-	-	884,571	**884,571**
Other liabilities	-	-	53,974	**53,974**

including lease liabilities	-	-	*14,275*	***14,275***
Total financial liabilities	**-**	**-**	**999,140**	**999,140**

(in € thousands)	**Mandatorily at FVTPL**	**As of December 31, 2023** **FVOCI - debt instruments**	**Amortised cost**	**Total carrying amount**
Loans and advances to financial institutions	-	-	73,525	**73,525**
Loans and advances to customers	-	477,287	339,347	**816,634**
Investment securities	135,403	-	-	**135,403**
Other assets	-	-	85,537	**85,537**
Total financial assets	**135,403**	**477,287**	**498,408**	**1,111,098**
Loans from financial institutions	-	-	60,033	**60,033**
Deposits from deposit holders	-	-	1,126,252	**1,126,252**
Other liabilities	-	-	68,840	**68,840**
including lease liabilities	-	-	*16,133*	***16,133***
Total financial liabilities	**-**	**-**	**1,255,125**	**1,255,125**

LOANS AND ADVANCES TO CUSTOMERS

The "loans and advances to customers" line item in the statement of financial position includes:

- Loans and advances measured at amortised cost, including the effect on the income statement of the effective interest method and the ECL model; and
- Loans and advances measured at FVOCI.

(in € thousands)	**As of June 30, 2024**	**As of December 31, 2023**
Loans and advances to customers at amortised cost	399,687	446,021
Impairment loss allowance	(87,538)	(106,674)
	312,150	**339,347**
Loans and advances to customers at FVOCI	400,360	477,287
Total loans and advances to customers	**712,510**	**816,634**

CREDIT QUALITY ANALYSIS

Credit risk is expressed through the impairment provisions recognised for expected credit losses (ECL) as defined by IFRS 9.

IFRS 9 introduces a single credit risk impairment model, based on expected credit losses rather than incurred losses. These impairment methods apply to all financial assets measured at amortised cost or fair value through recyclable equity, lease receivables, loan commitments and financial guarantee contracts.

This mechanism requires recognition of a loss allowance for impairment as from the initial recognition of the exposures concerned. This initial loss allowance corresponds to the expected credit losses given default over the next 12 months (stage 1). If the credit risk increases significantly after initial recognition, the expected credit losses will be measured over the residual lifetime of the instrument (stage 2). Finally, if the credit quality deteriorates to the point where the recoverability of the receivable is threatened, the lifetime expected losses must be provisioned (stage 3), taking account in the calculation of the increase in the risk by comparison with the loss allowances estimated in stage 2 (including the use of 100% probability of default). Expected credit losses are therefore recognised progressively, reflecting the increase in the risk of the instrument.

The main characteristics of the different stages of provisioning can be summarised as follows:

Stage 1 – **Performing assets not downgraded**
All the contracts concerned, with the exception of financial assets purchased credit-impaired (POCI), are initially accounted for in this category.

- The amount of credit risk impairment is calculated on 12-month expected credit losses;
- Interest revenue is recognised in profit or loss using an effective interest rate applied to the gross carrying value of the asset before impairment.

Stage 2 – Performing assets downgraded

- In the event of significant increase of credit risk since initial recognition, the financial asset is transferred to this category from stage 1;
- The
- mount of credit risk impairment is then calculated on the remaining lifetime expected loss (losses expected at maturity);
- Interest revenue is recognised in profit or loss using an effective interest rate applied to the gross carrying value of the asset before impairment;
- The significant increase in credit risk is based on an assessment of the change in the risk of default over the lifetime of the instrument, rather than a change in the amount of the expected credit losses. A significant increase in credit risk can be determined individually (instrument by instrument) or collectively, based on portfolios of similar financial assets.

Stage 3 – Defaulted assets

- Financial assets that have suffered a default event will be downgraded to this category;
- The amount of credit risk impairment continues to be calculated on the remaining lifetime expected loss (losses expected at maturity), but the calculation method will take account of an additional increase in credit risk;
- Interest revenue is recognised in profit or loss using an effective interest rate applied to the net carrying value of the asset (after impairment).

A financial instrument is considered as defaulted when one or more events occur with a detrimental effect on its future estimated cash flows. Indications of impairment include any credit event corresponding to one of the following situations:

- Probable or certain risk of non-collection: 61 days of unpaid amounts;
- Confirmed counterparty risk: over indebtedness procedure;

The default definition hereby used is in accordance with the definition of default as defined by the European Banking Authority.

Expected credit losses correspond to the present value of the difference between the contractual cash flows and those that the Company expects to receive, which are calculated on the basis of estimations relying on the probability of realistically achievable scenarios, under circumstances existing at the reporting date, and the macro-economic forecasts available (without having to incur unreasonable costs or efforts to obtain them). These credit losses are calculated on the maximum contractual period (including options for extension) during which the Company is exposed to the credit risk.

Purchased or originated credit-impaired financial assets (POCI)

In some cases, financial assets are credit-impaired at their initial recognition. For these assets, the effective interest rate is calculated taking into account the lifetime expected credit losses in the initial estimated cash flows. Any change in lifetime expected credit losses since initial recognition, positive or negative, is recognised as a loss allowance adjustment in profit or loss.

Write-off

Financial assets are derecognised when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is conducted at the individual asset level.

Potential recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as a deduction from the gross carrying amount of the corresponding assets.

The following tables set out information about the credit quality of financial assets measured at amortised cost and at FVOCI broken down by grade at origination. Unless specifically indicated, the table represents gross carrying amounts of financial assets.

Loans and advances to customers at amortised cost

	As of June 30, 2024					
(in € thousands)	**6-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**o/w POCI**	**Total**
Loans and advances to customers at amortised cost						
Grades A1-A3: Strong	0 to 3%	64,047	2,136	1,638	9	**67,821**
Grades A4-A6: Satisfactory	3 to 6%	109,222	47,051	20,089	98	**176,362**
Grades A7 and lower: Higher risk	6 to 9%	68,414	32,799	54,291	615	**155,505**
Gross carrying amount		241,684	81,986	76,018	723	**399,687**
Loss allowance		(8,401)	(13,140)	(65,996)	(671)	**(87,538)**
Net Carrying amount		**233,282**	**68,846**	**10,022**	**52**	**312,150**

	As of December 31, 2023					
(in € thousands)	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**o/w POCI**	**Total**
Loans and advances to customers at amortised cost						
Grades A1-A3: Strong	0 to 3%	66,139	1,988	1,115	9	**69,243**
Grades A4-A6: Satisfactory	3 to 6%	103,809	56,400	18,023	223	**178,232**
Grades A7 and lower: Higher risk	6 to 9%	84,483	41,443	72,620	2,210	**198,545**
Gross carrying amount		254,432	99,831	91,758	2,443	**446,021**
Loss allowance		(9,851)	(16,159)	(80,664)	(2,300)	**(106,674)**
Net Carrying amount		**244,581**	**83,672**	**11,094**	**144**	**339,347**

Loans and advances to customers at FVOCI

	As of June 30, 2024					
(in € thousands)	**6-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**o/w POCI**	**Total**
Loans and advances to customers at FVOCI						
Grades A1-A3: Strong	0 to 3%	191,831	3,544	33,096	792	**228,471**
Grades A4-A6: Satisfactory	3 to 6%	78,441	22,298	40,745	1,044	**141,484**
Grades A7 and lower: Higher risk	6 to 9%	61,640	39,233	92,384	1,729	**193,257**
Gross carrying amount		331,912	65,075	166,225	3,565	**563,212**
Loss allowance		(8,652)	(10,236)	(144,436)	(3,306)	**(163,324)**
Fair Value adjustment		(2,577)	1,004	2,046	36	**472**
Net Carrying amount		**320,683**	**55,843**	**23,834**	**295**	**400,360**

	As of December 31, 2023					
(in € thousands)	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**o/w POCI**	**Total**
Loans and advances to customers at FVOCI						
Grades A1-A3: Strong	0 to 3%	237,624	3,779	31,022	861	**272,425**
Grades A4-A6: Satisfactory	3 to 6%	96,597	26,737	37,178	1,098	**160,512**
Grades A7 and lower: Higher risk	6 to 9%	68,697	48,535	82,120	1,791	**199,352**
Gross carrying amount		402,918	79,051	150,320	3,750	**632,289**
Loss allowance		(12,844)	(13,556)	(129,791)	(3,402)	**(156,192)**
Fair Value adjustment		(2,869)	1,886	2,173	52	**1,190**
Net Carrying amount		**387,204**	**67,381**	**22,702**	**401**	**477,287**

AMOUNTS ARISING FROM ECL

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The probability of default (PD) as at the reporting date; with
- The PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where appropriate for changes in prepayment expectations).

The Company uses three criteria in determining whether there has been a significant increase in credit risk:

- A quantitative test based on movement in PD;
- Qualitative indicators; and
- A backstop of 30 days past due payment.

Credit risk grades

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are updated twice a year and defined using (i) qualitative factors such as incidence of change in macroeconomic conditions on grading since origination and (ii) quantitative factors based on borrowers' behaviour that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are updated twice a year and defined using (i) qualitative factors such as incidence of change in macroeconomic conditions on grading since origination and (ii) quantitative factors based on borrowers' behaviour. These factors are indicative of risk of default.

Grading	12-month weighted-average PD
Grades A1-A3: Strong	0 to 3%
Grades A4-A6: Satisfactory	3 to 6%
Grade A7 and lower: Higher risk	6 to 9%
Credit impaired	100%

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly

The Company assesses whether credit risk has increased significantly since initial recognition at each reporting date.

As a general indicator, the credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company's quantitative modelling, the change in annualised lifetime PD since initial recognition is greater than 300 basis points (bps) which corresponds to a downgrade of 3 notches.

Incorporation of forward-looking information

The Company incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Company formulates three economic scenarios:

- *Baseline Scenario*: The central or most likely forecast of economic conditions based on current data and expected trends. The central scenario is aligned with information used by the Company for other purposes such as strategic planning and budgeting.
- *Upside Scenario*: A more optimistic scenario that assumes favourable economic conditions and improved borrower performance. This scenario typically leads to an improvement in default and recovery rate, as well as a reduction of loans classified in stage 2.
- *Downside Scenario:* A pessimistic scenario that assumes adverse economic conditions, higher risk of borrower default, and worsened financial performance. This scenario typically leads to a deterioration in default and recovery rate, as well as an increase of the loans classified in stage 2.

The link between these macroeconomic scenarios and the ECL measurement is primarily established through modelling default, recovery, and prepayment probabilities as well as adjustments to migration matrices of stage definition. This allows for the measurement of expected losses for each scenario. Each scenario is assigned a probability of occurrence, with the baseline scenario being set at 50%, and the weighted average of the ECL from these scenarios is used to determine the impairment allowance for financial assets measured at amortised cost and FVOCI.

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Company operates.

Younited has a long observable track record in France where it has been operating since 2011, and is hence using macro-economic forecast, published by the Banque de France, to establish its scenarios and assess potential ECL impacts.

The table below lists the macroeconomic assumptions used in the base case scenarios over the forecast period as at June 30, 2024.

	Actuals [1]	**Forecasts** [1]		
	2023	**2024**	**2025**	**2026**
GDP	1.1%	0.8%	1.2%	1.6%
Inflation	5.7%	2.5%	1.7%	1.7%
Unemployment rate	7.5%	7.6%	7.9%	7.6%
Savings rate	18.0%	18.0%	17.0%	17.0%

[1] *Source: Banque de France*

Baseline scenario

In the baseline scenario, we assume a moderate economic slowdown in 2024 due to high-interest rates and persistent inflation pressures. The geopolitical tensions remain contained without further escalation, and central banks gradually ease monetary policy in 2024.

- *GDP*: Growth in the Eurozone is expected to be modest in 2024, with a slight rebound in 2025. This reflects subdued consumer demand and weak business investment due to tight monetary conditions.
- *Inflation*: Inflation is projected to decline gradually but remains above target in 2024 and close to target in 2025 onward as supply chain disruptions ease and energy prices stabilise.
- *Unemployment rate*: The unemployment rate is anticipated to increase slightly in 2024 and 2025, as economic activity remains below potential, and businesses continue cautious hiring practices.
- *Savings rate*: Consumer savings rates are expected to stabilise reflecting cautious consumer spending due to economic uncertainty and high inflation.

Upside Scenario

The upside scenario envisions a stronger economic recovery driven by improved consumer confidence, robust fiscal support, and easing of supply constraints. This scenario assumes that the central banks successfully manage to reduce inflation without triggering a recession.

- *GDP*: Growth accelerates in 2024 and 2025, driven by higher consumer spending and business investment. The Eurozone benefits from a strong rebound in global trade and productivity gains.
- *Inflation*: Inflation falls faster than expected in 2024 and reaches target in 2025, supported by improving supply chain conditions and declining energy prices.
- *Unemployment rate*: The unemployment rate declines in 2024 and 2025, reflecting improved job creation in response to stronger economic growth.
- *Savings rate*: Consumer savings rate decreases slightly as households become more confident in spending and investing, buoyed by a better economic outlook.

Downside Scenario

In the downside scenario, the economic environment deteriorates due to escalated geopolitical tensions, a deeper energy crisis, or a sharp tightening of financial conditions. This scenario reflects a significant shock to the economy, resembling a severe recession.

- *GDP*: The Eurozone economy contracts in 2024, with only a minor recovery in 2025. This reflects weak consumer spending, declining business investment, and heightened financial market volatility.
- *Inflation*: Inflation remains stubbornly high in 2024 due to ongoing supply-side constraints and geopolitical shocks affecting commodity prices, before easing in 2025.
- *Unemployment rate*: Unemployment rises sharply in 2024 and further in 2025, as businesses cut back on hiring and lay off workers in response to declining demand.
- *Savings rate*: Consumer savings rates increase as households prioritise savings amidst economic uncertainty and reduced income, dampening overall consumption.

The scenario probability weightings applied in measuring ECL are as follows:

	As of June 30, 2024			As of December 31, 2023		
	Upside	**Central**	**Downside**	**Upside**	**Central**	**Downside**
Scenario probability weighting	**0%**	**50%**	**50%**	**0%**	**50%**	**50%**

Sensitivity of ECL to future economic conditions

Predicted relationships between the key indicators and default and loss rates of financial assets have been considered based on analysing historical data over the past 10 years.

The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The table below shows the allowance for ECL on loans and advances to customers assuming each forward-looking scenario (e.g. central, upside and downside) were weighted 100%. The table also includes the probability-weighted amounts that are reflected in the financial statements.

	As of June 30, 2024			
(in € thousands)	**Upside**	**Central**	**Downside**	**Probability-weighted**
Gross carrying amount	962,899	962,899	962,899	962,899
Loss allowance	(232,459)	(244,533)	(257,189)	(250,861)
Proportion of assets in Stage 2	16%	16%	16%	-

	As of December 31, 2023			
(in € thousands)	**Upside**	**Central**	**Downside**	**Probability-weighted**
Gross carrying amount	1 078 309	1 078 309	1 078,309	1 078 309
Loss allowance	(239 878)	(254 972)	(270 760)	(262 866)
Proportion of assets in Stage 2	17%	17%	17%	-

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

1. Probability of default (PD);
2. Loss given default (LGD); and
3. Exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD.
ECL for exposures in Stage 2 are calculated by multiplying the PD at maturity by LGD and EAD.
ECL for exposures in Stage 3 are calculated by multiplying LGD by EAD.
The estimation methodology is discussed above under the heading “Generating the term structure of PD”.

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure and the seniority of the claim. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and changes to the current amount arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Company measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance for ECL by class of financial instrument.

Loss allowance on loans and advances to customers at amortised cost

(in € thousands)	2024 Stage 1	 Stage 2	 Stage 3	 Total
Loans and advances to customers at amortised cost				
Balance at 1 January	9,851	16,159	80,664	**106,674**
Transfer to Stage 1	(838)	1,011	259	**431**
Transfer to Stage 2	473	(5,062)	523	**(4,067)**
Transfer to Stage 3	365	4,051	(781)	**3,635**
Financial assets that have been derecognised	126	(46)	(30,705)	**(30,626)**
New financial assets originated or purchased	1,641	181	145	**1,967**
o/w originated	*1,641*	*181*	*145*	***1,967***
o/w purchased	-	-	-	**-**
Net remeasurement of loss allowance	(3,217)	(3,153)	15,892	**9,522**
Balance at 30 June	**8,401**	**13,140**	**65,996**	**87,538**

Loss allowance on loans and advances to customers at FVOCI

(in € thousands)	2024 Stage 1	 Stage 2	 Stage 3	 Total
Loans and advances to customers at FVOCI				
Balance at 1 January	12,844	13,556	129,791	**156,192**
Transfer to Stage 1	(667)	1,200	133	**665**
Transfer to Stage 2	352	(4,463)	270	**(3,841)**
Transfer to Stage 3	315	3,263	(403)	**3,175**
Financial assets that have been derecognised	(1,264)	(81)	(5,326)	**(6,671)**
New financial assets originated or purchased	2,919	954	9,706	**13,579**
o/w originated	*2,527*	*406*	*268*	***3,201***
o/w purchased	*392*	*548*	*9,437*	***10,378***
Net remeasurement of loss allowance	(5,848)	(4,193)	10,265	**224**
Balance at 30 June	**8,652**	**10,236**	**144,436**	**163,324**

The following table provides a reconciliation between:

- The amounts shown in the tables above reconciling opening and closing balances of loss allowance for ECL per class of financial instrument; and
- The "impairment losses on financial instruments" line item in the statement of profit or loss.

(in € thousands)	**Six-month period ended June 30, 2024** **Loans and advances to customers at amortised cost**	 **Loans and advances to customers at FVOCI**	 **Total**
Derecognised financial assets	(30,626)	(6,671)	**(37,296)**
New financial assets originated or purchased	1,967	13,579	**15,545**
Net remeasurement of loss allowance	9,522	224	**9,746**
	(19,136)	**7,132**	**(12,004)**

Write-offs	29,642	6,457	**36,099**
Non-performing loans purchased	(7,466)	-	**(7,466)**
Impairment losses on financial instrument	**3,040**	**13,588**	**16,629**

Credit-impaired financial assets

The following table sets out a reconciliation of changes in the net carrying amount of credit impaired loans and advances to customers.

(in € thousands)	**2024**
Credit-impaired loans and advances to customers at January 1 at amortised cost	11,094
Net repayments	(318)
Disposals	(2,992)
Declassified as credit-impaired during the year	(718)
Classified as credit-impaired during the year	6,183
Change in ECL allowance	(3,227)
Credit-impaired loans and advances to customers at June 30 at amortised cost	**10,022**

(in € thousands)	**2024**
Credit-impaired loans and advances to customers at January 1 at FVOCI	22,702
Net repayments	(2,328)
Disposals	(31)
Declassified as credit-impaired during the year	(1,039)
Classified as credit-impaired during the year	5,281
Change in ECL allowance	(749)
Credit-impaired loans and advances to customers at June 30 at FVCOI	**23,834**

CONCENTRATION OF CREDIT RISK

The Company monitors concentrations of credit risk by customer profiles and by geography. An analysis of concentrations of credit risk from loans and advances to customers is shown below.

(in € thousands)	**As of June 30, 2024**	**As of December 31, 2023**
Carrying amount	712,510	816,634
Concentration by sector		
Retail (unsecured)	712,510	816,634
Concentration by location		
France	195,494	197,266
Italy	204,255	278,270
Spain	127,980	142,506
Portugal	75,089	78,030
Germany	109,693	120,562
	712,510	**816,634**

FINANCIAL ASSETS AT FVTPL

The “Financial assets at FVTPL” line item in the statement of financial position includes debt and equity investment securities mandatorily measured at FVTPL.

Financial assets mandatorily measured at FVTPL

(in € thousands)	As of June 30, 2024	As of December 31, 2023
Investment securities mandatorily measured at FVTPL	125,957	135,403
Total	**125,957**	**135,403**

Financial assets at FVTPL comprise SPV shares in securitisation funds and HQLA.

LOANS AND DEPOSITS FROM FINANCIAL INSTITUTIONS AND FROM DEPOSIT HOLDERS

On the one hand, loans from financial institutions consist of a collateralised credit line with Natixis. On the other hand, deposits from deposit holders only consist of fixed-maturity (from 1 to 5 years) and fixed-rate term deposits raised from retail customers.

(in € thousands)	As of June 30, 2024	As of December 31, 2023
Loans and deposits from financial institutions	60,595	60,033
Term deposits from deposit holders	884,571	1,126,252
Total	**945,166**	**1,186,285**

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

DETERMINING FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. At initial recognition of a financial asset or liability, its fair value is assumed to be the transaction price.

During subsequent measurements, the standard recommends giving priority to quoted prices in active markets to determine the fair value of a financial asset or liability, or, if these data are not available, to valuation techniques based on observable market inputs.

An active market is defined as one in which transactions take place for the asset or liability with sufficient frequency and trading volume to provide continuous price information. In application of this definition, a market will be considered as active if the prices are easily and regularly available from a stock market, broker, trader, negotiator, or regulatory agency, and if these prices represent actual and regular transactions on the market under normal competitive conditions.

In the absence of an active market, the most commonly used valuation techniques include reference to recent transactions in a normal market context, the fair values of similar instruments, discounted cash flow models and option pricing models, or the use of internal models in the case of valuations based on meaningful unobservable inputs of the value of the instruments concerned.

For the needs of financial reporting, IFRS 13 introduces a three-level fair value hierarchy, based on the decreasing order of observability of the values and parameters used for valuation. Some instruments can use inputs available at several levels, in which case the fair value measurement is categorised at the lowest level input that is significant to the entire measurement, based on the application of judgment.

- **Level 1:** fair value is determined using quoted prices in an active market that are immediately accessible and directly usable.

- **Level 2:** the instruments are measured using valuation techniques whose significant inputs are observable on the markets, directly (prices) or indirectly (derived from prices).
- **Level 3:** this level includes the instruments valued on the basis of significant parameters that are not observable on the markets, for example in the absence of liquidity of the instrument, risks inherent in measurement model or in the inputs used. Unobservable inputs shall be the subject of internal assumptions that best reflect the assumptions that market participants would use when pricing the asset or liability. Developing these assumptions calls for judgment.

Investment securities measured at FVTPL are ranked level 1, while loans and advances to customers are categorised in level 3.

The following table provides the breakdown of financial instruments measured at fair value at each reporting date, by their level in the fair value hierarchy. The amounts are based on the values recognised in the statement of financial position.

	As of June 30, 2024			
(in € thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans and advances to customers				
Retail customers	-	-	400,360	**400,360**
Investment securities				
Asset-backed securities	125,957	-	-	**125,957**
Retained interests in securitisations	-	-	-	-
Total	**125,957**	**-**	**400,360**	**526,317**

	As of December 31, 2023			
(in € thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Loans and advances to customers				
Retail customers	-	-	477,287	**477,287**
Investment securities				
Asset-backed securities	135,403	-	-	**135,403**
Retained interests in securitisations	-	-	-	**-**
Total	**135,403**	**-**	**477,287**	**612,690**

LEVEL 3 FAIR VALUE MEASUREMENTS

RECONCILIATION

The following table shows a reconciliation from the beginning to the ending balances of financial instruments measured at fair value:

	2024		
(in € thousands)	**Loans and advances to customers**	**Investment securities**	**Total**
Balance at 1 January	477,287	-	477,287
Amortisation and Depreciation	(91,963)	-	(91,963)
Originated or purchased	93,413	-	93,413
Derecognised	(77,659)	-	(77,659)
FV remeasurement	(718)	-	(718)
Balance at 30 June	**400,360**	-	**400,360**

Total gain or losses recognised in profit or loss	1,439	-	1,439
Net change in FV through OCI	(2,157)	-	(2,157)

UNOBSERVABLE INPUTS USED IN MEASURING FAIR VALUE

The following table sets out information about significant unobservable inputs in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

	Valuation technique	Significant unobservable inputs	Rate	Effect on OCI		Method for effect calculation
				Favourable	Unfavourable	
June 30, 2024 Loans and advances to customers	Discounted cash flow	Credit risk-adjusted discount rate	7.4%	5,999	(5,803)	+/- 100 bps included in the discount rate
Total				**5,999**	**(5,803)**	

FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy in which each fair value measurement is categorised:

(in € thousands)	Level 3	Total fair value	Total carrying amount
June 30, 2024			
Assets			
Loans and advances to customers	305,860	305,860	312,150
Liabilities			
Loans from financial institutions	60,595	60,595	60,595
Deposits from financial institutions	-	-	-
Deposits from deposit holders	894,683	894,683	884,571
December 31, 2023			
Assets			
Loans and advances to customers	334,084	334,084	339,347
Liabilities			
Loans from financial institutions	60,033	60,033	60,033
Deposits from financial institutions	-	-	-
Deposits from deposit holders	1,163,485	1,163,485	1,126,252

NOTE 5 OPERATING SEGMENTS

Pursuant to IFRS 8, operating segments are components of a group for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker ("CODM") to assess performance and allocate resources.

According to IFRS 8, segment information is based on internal management information used by the Board of Directors, the Company's operating decision-maker. The Company is managed on a basis reflecting its global activity which is then classified as a single operating segment.

NOTE 6 NET INTEREST INCOME

Interest income and expense are accounted for in profit or loss for all the financial instruments measured at amortised cost and fair value through recyclable equity, using *the effective interest rate method*.

The “effective interest rate” is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument in such a way as to obtain the gross carrying amount (or amortised cost) of the financial asset (or liability).

The calculation of this rate takes into account all the contractual terms of the financial instrument (e.g. early repayment options, extension options, etc.) and includes all the commissions and costs received or paid that are by nature an integral part of the effective rate, together with transaction costs, premiums, or discounts.

In the particular case of purchased or originated credit-impaired financial assets, the effective interest rate also takes into account the expected credit losses in estimations of future cash flows.

The tables below set out the breakdown of interest income and expense by underlying type of financial instruments:

	Six-month period ended June 30,	
(in € thousands)	**2024**	**2023**
Interest income		
Cash, due from central banks	4,342	2,445
Financial assets measured at amortised cost	16,972	12,964
Financial assets measured at FVOCI	18,359	21,145
Total interest income	**39,673**	**36,554**
Interest expense		
Financial liabilities measured at amortised cost	(14,887)	(9,666)
Total interest expense	**(14,887)**	**(9,666)**
Net interest income	**24,787**	**26,888**

NOTE 7 NET INCOME FROM FINANCIAL INSTRUMENTS AT FVTPL

Net income from other financial instruments at FVTPL relates to financial assets mandatorily measured at FVTPL. The line item includes fair value changes and interest.

	Six-month period ended June 30,	
(in € thousands)	**2024**	**2023**
Net income from financial instruments mandatorily measured at FVTPL		
Investment securities	(1,370)	(239)

NOTE 8 INCOME FROM OTHER ACTIVITIES

Income from other activities

Income from other activities is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies under IFRS 15
Access to its platform	The Company sells access to the Younited Credit platform to its B2B partners allowing them to provide credit offers to their clients. The partners pay such service either through a license fee or through a transaction-based fee corresponding to a percentage of the credit sold by the partner.	Revenue from "Access to the platform" is recognised over time as the services are provided. Revenue related to transactions is recognised point in time when the transaction takes place.
Professional services	As part of the access to the Younited Credit platform to its B2B partners, the Company provides professional services surrounding personalisation of the platform and/or specific request to develop features to the platform. Such services are invoiced on an individual basis as the services are delivered.	Revenue from "Professional services" is recognised point in time or over the duration of the services delivered.
Insurance distribution	The Company offers insurance distribution services whereby it acts as an intermediary distributor between customers and an insurance company to sell insurance coverage of the corresponding loans originated. Younited does not assume any insurance like risk. The Company receives fees as a fixed percentage of monthly premium payments as well as a portion of insurance profit sharing from the insurance company.	Revenue from "Insurance distribution services" is recognised when the underlying loan is originated, based on prudent assumptions regarding early repayments and claims.
Leads sales	Leads sales consist in sales of leads to other financial institutions as Younited does not cover this segment.	Revenue from "Leads sales" is recognised point in time when the transaction takes place.
Sub-rent income	Income from subletting consists of the sublet of premises by Younited. As Younited retains substantially all the risks and rewards of the leased asset, the lease can be classified as an operating lease.	Revenue from "Sub-rent income" is recognised over time on a straight-line basis on the lease duration contract.
Asset management	The Company provides asset management services. Such fees are calculated based on a fixed percentage of the value of assets managed.	Revenue from "SPV management" is recognised over time on a straight-line basis as the service is provided.

Accounts receivables and contract assets

The timing of income recognition may differ from the timing of customer invoicing. Receivables represent an unconditional right to receive the contractual consideration. On the other hand, contract assets refer to revenue amounts recognised under IFRS 15, but for which the right to the contractual consideration is not yet acquired.

BREAKDOWN BY TYPE OF SERVICE

(in € thousands)	Six-month period ended June 30, 2024	2023
Access to its platform	8,245	4,290
Professional services	1,012	424
Insurance distribution	7,263	9,472
Leads sales	3,289	3,592
Sub-rent income	1,524	811
Asset management	2,372	1,906
Other	4,143	881
Total Income from other activities	**27,849**	**21,377**

ACCOUNTS RECEIVABLES AND CONTRACT ASSETS

(in € thousands)	As of June 30, 2024	As of December 31, 2023
Account receivables	20,286	16,044
Contract assets	42,441	48,563

NOTE 9 PERSONNEL EXPENSE

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognised as personnel expense, with a corresponding increase in equity, over the vesting period of the awards.

(in € thousands)	Six-month period ended June 30, 2024	2023
Wages and salaries	(11,553)	(11,971)
Social security contributions	(6,216)	(4,751)
Equity-settled share-based payments	(717)	(1,441)
Expenses related to post-employment defined benefit plans	(22)	(32)
Total Personnel Expense	**(18,508)**	**(18,195)**

SHARE-BASED PAYMENTS ARRANGEMENTS

DESCRIPTION OF THE PLANS

Over the six-month period ended June 30, 2024, and the comparative period, the Company had the following share-based payment arrangements.

Free share plans – Equity-settled

The Board decided to allocate free ordinary shares (AGA) to the Company's managers and employees, as follows:

Name of the plan	AGA 2022-1	AGA 2022-2	AGA 2022-3	AGA 2023	AGA 2024
Grant date	01/26/2022	04/28/2022	09/22/2022	11/23/2023	03/29/2024
Number of instruments granted	2,845	12,976	2,175	39,855	4,704
Number of instruments received	2,758	12,535	-	-	-
Number of instruments forfeited	87	441	100	435	-
Vesting period	2 years	2 years	2 years	1 year	1 year
Conservation period	-	-	-	1 year	1 year
Fair value at grant date	264.3	264.3	264.3	1.0	1.0
Delivery date	01/25/2024	04/27/2024	09/21/2024	11/22/2024	03/28/2025

The shares will definitely vest to the beneficiaries who remain actively employed by the Company until the end of the vesting period.

Younited carried out its valuation on the basis of the last available equity value (less than one year), primarily on the basis of independent valuation reports when available or, failing that, on the basis of the share value resulting from the round of financing preceding the grant, adjusted for differences in contractual terms associated with the shares issued.

Impacts of the plans

Over the six-month period ended June 30, 2024, and the comparative period, the Company has recorded the following impacts in the statement of profit or loss with respect to the share-based payment plans with a counterparty in equity.

	Six-month period ended June 30,	
(in € thousands)	2024	2023
AGA 2024	(3)	-
AGA 2023	(31)	(2)
AGA 2022-3	(181)	(125)
AGA 2022-2	(479)	(745)
AGA 2022-1	(22)	(163)
AGA 2021	-	(406)
Total	**(717)**	**(1,441)**

RECONCILIATION OF OUTSTANDING SHARE OPTIONS

The number and weighted-average exercise prices of share options are as follows.

	As of June 30, 2024		As of December 31, 2023	
	Number of options	Weighted-average	Number of options	Weighted-average

		exercise price		exercise price
Outstanding at January 1	133,048	194.7	134,469	194.5
Forfeited during the period	(6,792)	65.2	(1,158)	192.2
Exercised during the period	-	-	(263)	106.4
Granted during the period	-	-	-	-
Outstanding at Closing	**126,256**	**201.7**	133,048	194.7
Exercisable at Closing	126,256	201.7	133,048	194.7

NOTE 10 INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent of items recognised directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual branches of the Company.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequences that would follow from the way the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the following criteria are met:

- The entity has a legally enforceable right to offset current tax assets and liabilities;
- The deferred tax assets and liabilities relate to income tax levied by the same tax authority on the same taxable entity, or on different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously in each period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

AMOUNTS RECOGNISED IN PROFIT OR LOSS

(in € thousands)	Six-month period ended June 30, 2024	2023
Current year	(363)	(679)
Current tax expense	**(363)**	**(679)**

RECONCILIATION OF EFFECTIVE TAX RATE

(in € thousands)	Six-month period ended June 30, 2024	2023
Profit/(loss) before tax	**(12,341)**	**(28,687)**
Statutory tax rate in France	25.8%	25.8%
Theoretical income tax benefit (expenses)	3,187	7,408
Reconciliation between the theoretical tax rate and the effective tax rate	-	-
Effect of tax rates in foreign jurisdictions	369	341
Tax effect of:		
Unrecognised deferred tax assets	(3,556)	(7,750)
French "CVAE"[1]	(108)	(164)
Portugal Taxes	(255)	(515)
Total income tax expense	**(363)**	**(679)**
Effective tax rate	(2.9%)	(2.4%)

[1]CVAE stands for "Cotisation sur la Valeur Ajoutée des Entreprises".

MOVEMENT IN DEFERRED TAX BALANCES

The Company did not recognise any deferred tax asset.

(in € thousands)	Opening balance	Recognised in profit or loss	Recognised in OCI	As of June 30, 2024 Net	Deferred tax assets	Deferred tax liabilities
Right of use	(4,810)	440	-	(4,370)	-	(4,370)
Lease liabilities	5,839	(560)	-	5,278	5,278	-
Financial instruments measured at FVOCI	4,759	-	(4,946)	(187)	-	(187)
Allowance for expected credit losses	19,782	(4,310)	-	15,472	15,472	-
Contract asset	(14,780)	1,738	-	(13,042)	-	(13,042)
Tax losses carried forward	59,394	10,511	-	69,906	69,906	-
Other	(640)	(1,364)	-	(2,004)	-	(2,004)
Netting	(62,813)	(24,549)	4,946	(82,416)	(19,603)	19,603
Limitation of DTA	(6,731)	18,093	-	11,362	(71,054)	-
Tax assets (liabilities)	**-**	**-**	**-**	**-**	**-**	**-**

UNRECOGNISED DEFERRED TAX ASSETS

	As of June 30, 2024		As of December 31, 2023	
(in € thousands)	**Gross amount**	**Tax effect**	**Gross amount**	**Tax effect**
Tax losses - France	124,143	32,060	117,696	30,395
Tax losses - Italy	56,298	15,482	46,097	12,677
Tax losses - Spain	35,792	10,738	33,313	9,994
Tax losses - Germany	18,962	5,675	18,962	5,675
Total	**235,195**	**63,954**	**216,068**	**58,740**

NOTE 11 CASH, DUE FROM CENTRAL BANKS AND LOANS AND ADVANCES TO FINANCIAL INSTITUTIONS

(in € thousands)	As of June 30, 2024	As of December 31, 2023
Cash, due from central banks	134,232	236,756
Loans and advances to financial institutions	49,172	73,525
Total cash, due from central banks and loans and advances to financial institutions	**183,404**	**310,281**

NOTE 12 OTHER LIABILITIES

(in € thousands)	As of June 30, 2024	As of December 31, 2023
Lease liabilities	14,275	16,133
Short-term employee benefits	8,303	7,974
Trade payables and other creditors	13,295	14,814
Tax liabilities	2,015	1,774
Other	16,087	28,145
Total	**53,974**	**68,840**

The “Other” line item mainly includes premiums collected for the insurance company and debts corresponding to cash flows received on securitised contracts to be paid to the securitisation funds.

NOTE 13 CAPITAL

SHARE CAPITAL

As of June 30, 2024, the share capital of Younited consisted of 1,998,710 ordinary shares fully paid up with a par value of 1 euro each. On April 24, 2024, 49,976 shares were issued resulting in a net proceed including equity premium of € 25,459 thousand.

As of December 31, 2023, the share capital of Younited consisted of 1,934,360 ordinary shares fully paid up with a par value of 1 euro each. On June 23, 2023, 54,277 shares were issued resulting in a net proceed, including equity premium, of €28,538 thousand.

The tables below give details of changes in the number of shares, share capital and additional paid-in capital as of June 30, 2024, and December 31, 2023 (Numbers are stated in € thousands, except Number of Shares):

	As of June 30, 2024		As of December 31, 2023	
	Number of shares	Share capital	Number of shares	Share capital
In issue at January 1	1,934,360	1,934	1,861,342	1,861
Issued for cash	49,976	50	54,277	54
Exercise of share options	14,374	14	18,741	19
In issue at June 30 / December 31 – fully paid	**1,998,710**	**1,999**	**1,934,360**	**1,934**

SHARE PREMIUM

(in € thousands)	As of June 30, 2024	As of December 31, 2023
Balance at January 1	**380,044**	**351,790**
Increase in capital	25,406	28,465
Change in treasury shares held (1)	211	(211)
Balance at December 31 / June 30	**405,660**	**380,044**

(1) Change in treasury shares held corresponds to a number of 120 shares.

NOTE 14 SECURITISATION OPERATIONS

Derecognition - Financial assets

In accordance with IFRS 9 par.3.2.1, the Company assesses the nature of the control it exercises over the securitisation vehicles to which it transfers financial instruments and consolidates them where appropriate in accordance with IFRS 10.

The Group (in the absence of a consolidated group, the Company) derecognises all or part of a financial asset when the contractual rights to the asset's cash flows expire, or when it transfers the asset on the basis of a transfer of the contractual rights to its cash flows as well as substantially all the risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

The Company does not consolidate any of the securitisation vehicles in which it holds an interest, either because of their immaterial nature or duration, or because it has no power over the relevant activities. The company perform various services on behalf of the securitisation vehicles solely as an agent as the Company is subject to a substantive right of revocation as defined by IFRS 10.

Securitisations of loans to customers by the Company are accompanied by the transfer of all the risks and rewards associated with these loans and as such result in their derecognition.

The securitisations provide the Company with financing leverage and also enable the Company to generate income from the sale of loans and from services provided on behalf of the securitisation vehicles. The securitisation vehicles are financed by the issuance of single-tranche units to investors. When the Company subscribes to units, they are recognised as financial assets at FVTPL (see Note 4).

The table below shows the total amount outstanding in the securitisation funds and the interest retained in these funds by the Company at each balance sheet date.

(in € thousands)	**Au 30 Juin 2024**
Securitisation vehicles total asset	1,728,147
Carrying amount of SPV shares on the company balance sheet	97,692
Servicing fees invoiced to SPVs	2,372

For the period ended 30 June 2024 the Company recognised a net loss of 1,439 thousand euros from loans to customers securitisation operations.

NOTE 15 PROVISIONS

(in € thousands)	**2024**	**2023**
Balance at January 1	**466**	**214**
Provisions made during the year	114	258
Provisions reversed during the year	-	(6)
Balance at June 30 / December 31	**580**	**466**

Provisions mainly refer to customer-related disputes in Spain and Italy or employee-related ones.

As of June 30, 2024, the Company was not aware of any contingent liabilities. To the best of its knowledge, the Company is not engaged in any legal proceedings that could have a material adverse effect on its financial position other than those for which a provision has been made.